GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1869
ANSWERED ON:26.07.2002
A.S. GANGUL REPORT ON SUPERVISORY ROLE
SUBODH MOHITE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have examined the A.S. Ganguly report on supervisory role in private banks;

(b) if so, the details thereof;

(c) whether the Government propose to enact legislation to implement the recommendations of the Committee; and

(d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a) to (d) The report of consultative group of Directors of Banks and Financial Institutions headed by Dr A S Ganguly set up by Reserve Bank of India to review supervisory roles of Boards of banks is under consideration of the Government. The major recommendations of the Group are as under:

(i) appointment of one more whole time director on the Boards of large-sized nationalised banks,

(ii) establishment of appropriate due diligence procedures for appointment of directors on the boards of private sector banks,

(iii) setting up of Nomination Committees of Boards of banks to recommend appointment of independent/non-executive directors,

(iv) building and creation of a pool of professional and talented people for board level appointments in banks and also maintenance of the data for the purpose by Reserve Bank of India etc.,

(v) besides above, the recommendations also focus on the role and responsibilities of independent/non-executive directors, their training & remuneration, commonality of directors of banks and NBFCs, information flow to/from the Board, Composition of Financial Committees of the Boards, etc